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29 November 2016

ASX Market Announcement

Chairman address at the 2016 AGM

Ladies and Gentleman,

I am extremely excited today and to brief our shareholders about our company's recent progress. Needless to say that QMC has never been in such a strong position than today looking forward to realise the value for our shareholders which includes potential production of copper from some of our already established ore bodies. Our aim is to achieve the above target with low capital and operating costs. Furthermore, there have been a number of developments in the Company which we are also now confident in going forward for the betterment of our shareholders.

In this regard, in 2016, your Company has been focused on three main areas:

Firstly, we have been exploring different and practical approaches to bring White Range Copper Project into production, aiming within short period of time. On one hand, we are continuously talking to different potential partners who are now interested in jointly developing White Range. We are also pleased to see that the increased number of parties is actively seeking investment opportunities now than in the last two years in the mining sector. On the other hand, we have also realised that there are a number of existing processing facilities in our region which have extra processing capacity, where QMC's ore body could be potentially negotiated for processing.

In this regard, we are also in the process of updating the feasibility study of some of our orebodies, which might be suitable for a toll treatment arrangement with other existing local plants. In that way, White Range Project can create cash flow much sooner than expected, without large capital requirements of infrastructure and new processing facilities. While above options being considered in parallel,

we are also now actively exploring setting up our own production facility with minimum capital and low operating cost.

Secondly, we also have kept on expanding the resource base of White Range Project by further investment in exploration. During the year, the JORC resource of Young Australian was increased over 90% and also, encouraging drilling results were delivered from the Copper Canyon area. We do believe the upside potential in this region is very significant.

Thirdly, according to the Company's strategy of mainly focusing on our flagship, White Range development, QMC made the efforts to spin off some of the non-core assets. This has resulted in an optional asset sale agreement signed with Ausmex Mining on Gilded Rose Gold Project.

At the same time, we are currently talking to a major mining group regarding JV exploration cooperation, to maximise the value of our large unexplored tenement holding. This would also help us to engage world-class exploration techniques and expertise with the view to increase the sum of our untapped resources.

In 2017, QMC will keep on moving toward the direction of developing White Range Project into production. As you might have noticed, the LME copper price has increased around 20% since January 2016, and the world resource market is turning into a more favourable direction to us. We will also take this opportunity of the upside trend of the cycle to realize the true value of the Company, and to reward the patience and the supports of our shareholders.

I would like conclude by saying that our company, QMC, is today sitting on a very high quality copper asset strategically located in North Queensland ready to be in production in the near future.

I also like to take this opportunity to thank our shareholders for their support and also my board, CEO, geological team and the management for their dedication and hard work.

Thank you

Dr Lakshman Jayaweera